

5 April 2024

The General Manager
The Hills Shire Council
PO Box 7064
Norwest NSW 2153

Attention: Mr Nicholas Carlton, Manager Forward Planning

Dear Nicholas,

WEST GABLES PLANNING PROPOSAL

OFFER TO ENTER INTO VOLUNTARY PLANNING AGREEMENT

The purpose of this letter is to submit an initial draft offer from Allam Land No 11 Pty Ltd (**Allam**) to The Hills Shire Council (**Council**) to enter into a planning agreement to pay money, undertake works and dedicate land for public purposes in conjunction with Allam's future development proposed under the planning proposal for the West Gables development.

The resulting planning agreement will:

- provide Council with certainty regarding the funding and delivery of local infrastructure required to support the development of Allam's portion of the West Gables development, and
- establish a basis for the provision of monetary contributions to Council for new and augmented infrastructure to be provided by Council off-site, including a contribution towards community facilities buildings/floorspace which is excluded from the Essential Works List and cannot be included in a s7.11 contributions plan.

Accompanying this letter is an Infrastructure Schedule prepared by Allam, to assist Council to understand the way Allam's offer has been prepared.

The Infrastructure Schedule is discussed in further detail in this letter.

Allam anticipates that the terms set out in this initial draft offer will be refined in consultation with Council officers. Following those discussions, Allam intends to submit a formal letter of offer to accompany the Planning Proposal package.

Allam Land No.11 Pty Ltd ACN 646 466 113 ABN 17 646 466 113

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Background

Allam and Stockland Residential Communities NSW (Stockland) jointly submitted a planning proposal to Council for West Gables in June 2023. The land to which the Planning Proposal applies is shown at **Figure 1**.

The Planning Proposal comprises the rezoning of the land to accommodate a maximum of 1,260 dwellings and approximately 4,400 residents. Allam intends to deliver up to 107 of these lots on its landholdings with approximately 365 residents.

The planning proposal package included an Infrastructure Delivery Plan (IDP) which identifies the local and regional infrastructure requirements to support the proposed development, along with the recommended mechanisms for the delivery, ownership, and maintenance of the infrastructure.

The IDP notes that Allam and Stockland each intend to offer to enter into a planning agreement with Council for the dedication of land, undertaking of works, and payment of monetary contributions corresponding with their respective future developments. This draft letter of offer constitutes Allam's initial offer to enter into such a planning agreement.

Not all of the land within West Gables is currently owned or controlled by Allam or Stockland. Accordingly, the IDP and planning proposal recommends the inclusion of a new clause in Part 7 of The Hills Local Environmental Plan 2019 (the LEP) which requires that "satisfactory arrangements" need to be made for the provision of local infrastructure in West Gables prior to the determination of any development applications for the subdivision of land. This approach means that other landowners/developers in West Gables who are not party to the VPA offers from Allam or Stockland will need to make future VPA offers to Council to enable the subdivision of their land.

To assist in the preparation of this letter of offer, Allam and Stockland have jointly prepared an Infrastructure Schedule which identifies works, land, and costs, for the open space, transport, and water cycle management infrastructure considered necessary to serve the West Gables area. The Infrastructure Schedule has been prepared to match a contributions plan schedule, and serves two purposes:

1. It enables Council to understand the basis Allam has utilised to formulate its proposal for land dedication, works and monetary contributions (together the Contributions) to be provided by Allam and which are the subject of this draft offer; and
2. It provides a basis upon which Council could, if it chose to, negotiate the terms of future planning agreement offers with to other landowners/developers in West Gables as a means of satisfying the proposed "satisfactory arrangements" clause in Part 7 of the LEP, or prepare an underlying contributions plan for West Gables

as a means of levying development contributions from other landowners/developers.

Allam intends that the resulting planning agreement will exclude the operation of any future s7.11 contributions plan for West Gables, because the relevant elements of the Infrastructure Schedule applicable to the Allam land will instead have been provided for under the planning agreement.

Figure 1 – extent of West Gables planning proposal land



Description of the land to which the VPA will apply

The VPA will apply to that part of the land that is subject to the West Gables Planning Proposal owned by Allam, comprising three lots which are legally described in Table 1 below and shown in Figure 2.

Table 1 – land to which the VPA offer applies

Address	Lot	DP
109 Old Pitt Town Road Gables	20	609902
111 Old Pitt Town Road Gables	21	609902
113 Old Pitt Town Road Gables	10A	39157

Figure 2 – Map showing location of land to which the VPA offer applies



Future development and staging

Allam will commence development in Stage1C of the development which fronts Old Pitt Town Road but gains its site access from Triumph Road. in the south-eastern corner of the precinct.

The location of this stage is shown in Figure 3 and the approximate timing of lot registration for each stage is shown in Table 2.

Figure 3 – Development staging



Table 2 - Proposed development staging and timing of registration

Stage	Number of lots	Indicative Timing of Registration of lots
Allam Stage 1C	50	Early 2027 #
	57	4 th quarter 2027 #

Timing dependant on LEP finalisation meeting DPHI Planning Proposal Guideline targets.

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Scope of offer

Allam intends to deliver the following infrastructure and monetary contributions in conjunction with its development:

Table 3 – Scope of offer

Category	Description	Value
Land and works	• Water cycle management infrastructure including 1 x basin and GPT	Works: \$1,814,639
	• 1 x local park land and embellishment	Land: \$5,513,900
	• Cycle path along the frontage to Old Pitt Town Road	
Monetary Contribution	• Embellishment and upgrading of off-site active open space land already acquired by Council (former Horseworld site)	\$959,603
	• Augmentation of community facility floorspace in Gables or within proximity to the site and additional library floorspace	\$258,965
	• Settle-up monetary contribution	\$266,281
Total		\$8,813,389

These Contribution items are described in more detail, and costed, in **Annexure 1** to this letter.

A plan showing the location of the infrastructure is included as **Annexure 2** to this letter.

Estimated contribution value of offer

As summarised in Table 3, the estimated value of the Contributions comprising Allam's offer is **\$8,813,389**.

This includes undertaking works and dedicating land identified in the Infrastructure Schedule and making a "settle-up" monetary contribution which brings the contribution value of the draft offer to **\$70,980** per lot, and a further monetary contribution per lot of **\$11,388** towards off-site active open space, community centre and library floorspace.

Total contributions equate to **\$82,368** per lot.

The manner and times by which Contributions are to be provided

The indicative timing of those Contributions which comprise proposed works and land dedication Contributions is set out in the Infrastructure Schedule; however, the indicative timing has not yet been finalised. Allam intends to address this in further detail in its final letter of offer.

The monetary contributions components of the Contributions are to be paid at the development milestones proposed in the Infrastructure Schedule.

The timing of provision of Contributions will be linked to the release of subdivision certificates at certain stages of the development, providing Council with the ability to withhold subdivision certificates if works are not completed, land is not dedicated or monetary contributions are not paid

Dwelling cap

To provide Council with certainty regarding the maximum number of dwellings that can be developed under the proposed planning agreement, Allam offers to include provisions in the planning agreement which limit its development to a maximum of 107 dwellings. Allam welcomes further discussions on this aspect of the offer.

Parties to the VPA

The parties to the VPA will be:

- Allam Land No 11 Pty Ltd (Allam), and
- The Hills Shire Council.

Requirements of Section 7.4(3) of the Environmental Planning and Assessment Act 1979

Section 7.4(3) of the Act requires planning agreements to address the following additional matters:

- The planning agreement proposes to exclude the application of section 7.11 and section 7.12 to the development.
- The planning agreement does not propose to exclude the application of section 7.24 of the Act to the development.

- The planning agreement will include dispute resolution procedures consistent with Council's draft planning agreement template, with the details to be finalised during the preparation of the planning agreement.
- The planning agreement will include the following security mechanisms to protect Council's interests:
 - The planning agreement will be registered on the title of the original lots to which the planning agreement applies, along with any super lots created during the subdivision of those original lots, but not upon any final lots created during the subdivision process which are not capable of being further subdivided.
 - The timing of provision of contributions will be linked to the release of subdivision certificates at certain stages of the development, providing Council with the ability to withhold subdivision certificates if works are not completed, land is not dedicated or monetary contributions are not paid
 - If Allam fails to dedicate land identified in the planning agreement within the timeframe specified in the agreement, Council can compulsorily acquire that land for \$1 without triggering the requirements of the Land Acquisition (Just Terms Compensation) Act 1991.
 - Allam will provide Council with financial security via a bank guarantee to a value not exceeding 20% of the contribution value of works to be delivered under the planning agreement for the relevant stage.

Consistency with Council's Planning Agreement Policy

The draft offer to enter into a planning agreement addresses the matters raised under Section 7.1 of Council's Planning Agreement Policy, including the requirements of Section 7.4(3) of the Act.

Public benefit of the draft offer

Infrastructure works and land dedication

Allam's offer to enter into a planning agreement involves the delivery of open space, transport, and water cycle management infrastructure in conjunction with the roll-out of Allam's proposed development at West Gables in a timely manner. Thus, providing essential infrastructure and amenity to the future residents of the development. The delivery of the infrastructure by Allam means that it will bear the financial and delivery risk associated with the delivery of the infrastructure, rather than Council.

Further, the linking of delivery of the infrastructure to specified subdivision certificates means that Council and the community can be confident that necessary infrastructure will be delivered when required.

Monetary contributions

The monetary contribution towards off-site open space infrastructure will enable Council to embellish the former "Horseworld" site which was recently purchased by Council for active open space purposes.

Lastly, the draft offer includes a monetary contribution towards the provision of augmented community facility and library facilities.

Conclusion

Allam makes this draft offer to enter into a planning agreement with Council undertake works, dedicate land, and make monetary contributions to Council with respect to the future development of Allam's landholdings as envisaged under the West Gables planning proposal.

Allam looks forward to discussing the scope of this draft offer with Council officers and the submission of a formal letter of offer to accompany the planning proposal package.

I trust this draft letter of offer is sufficient to allow Council to consider this proposal and provide in principal support to progress the planning agreement. Should you need any further details or information to expedite the preparation of the planning agreement, please do not hesitate to contact me on 0403 138 117 or by email at lisad@allam.com.au



Ben Allam

Director

Allam Land No 11 Pty Ltd

Annexures

Annexure 1 – draft VPA infrastructure schedule

Annexure 2 – draft infrastructure location map

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VPA summary - Allam

Development assumptions		Occ rate	Population		
Lots/dwellings	1260	3.41	4297		
Infrastructure that is eligible for inclusion in a local Contributions Plan					
Category	Land	Works	Total	Per dwelling	Comments
traffic and transport	\$2,628,500	\$7,512,360	\$10,140,860	\$8,048.30	Includes land and works
Local open space	\$44,043,100	\$9,504,769	\$53,547,869	\$42,498.31	includes local open space land acquisition and base-level embellishment as per IPART requirements
water cycle management	\$12,348,400	\$13,397,202	\$25,745,602	\$20,433.02	Includes land and works
community	\$0	\$0	\$0	\$0.00	community infrastructure works cannot be included in CP - non-essential works
Subtotals	\$59,020,000	\$30,414,331	\$89,434,331	\$70,979.63	contribution rate per dwelling - total infrastructure cost apportioned to 1260 dwellings
Infrastructure/contributions that cannot be included in a local Contributions Plan - VPA items only					
Category	Land	Works	Total	Per dwelling	Comments
Active open space - VPA	\$0	\$11,300,000	\$11,300,000	\$8,968.25	Contribution towards indoor active open space facility cannot be included in CP - non-essential works
community - VPA	\$0	\$3,049,500	\$3,049,500	\$2,420.24	contribution towards community infrastructure - cannot be included in CP - non-essential works
VPA monetary subtotals	\$0	\$14,349,500	\$14,349,500	\$11,388	
Contribution per dwelling - all infrastructure apportioned equally to 1260 dwellings				\$82,368.12	

Contributions - land owership			Contributions obligation	Infrastructure offsets						
Owner	Stage	Lots	(rate x lots)	Item	Description	Works	Land	Total	Timing	Comments
Allam	1C	107	\$7,594,820	OS3.1	Eastern Park	\$863,901	\$4,041,100	\$4,905,001	Within 24 months of the issue of the subdivision certificate for the 51th final lot within Stage 1C	
				B4A	Basin - water quantity	\$560,913	\$1,472,800	\$2,033,713	Prior to the issue of the subdivision certificate that creates the 1st final lot within Stage 1C	
				B4B	Basin - water quality	\$315,514	\$0	\$315,514	Within 24 months of the subdivision certificate that creates the final lot within Stage 1C	
				T5	Construction of a shared pedestrian and cycle path 2.5-3m wide along the full length of Old Pitt Town Road from Boundary Road to the eastern boundary of the West Gables development	\$74,311	\$0	\$74,311	Within 24 months of the issue of the subdivision certificate for the last final lot within Stage 1C	26% in Allam land
					SUBTOTALS	\$1,814,639	\$5,513,900	\$7,328,539		
	TOTAL	107	\$7,594,820			\$1,814,639	\$5,513,900	\$7,328,539		

Settle-up monetary contribution				Item	Description			Total	Timing
					Settle-up monetary contribution (difference between total contributions obligation of \$7,380,761 minus land and works to be delivered under VPA of \$7,328,539)			\$266,281	The payment of \$4,671.60 per lot prior to the release of each subdivision certificate after the 50th final lot, but not exceeding an aggregate contribution of \$266,281

Monetary contributions				Item	Description			Total	Timing
				AOS	Active open space - monetary contribution to Council			\$959,603.17	The payment of \$16,835 per lot prior to the release of each subdivision certificate after the 50th final lot, but not exceeding an aggregate contribution of \$959,603
				C1	Provision of monetary contribution for additional community centre floorspace			\$258,965.48	The payment of \$4,543 per lot prior to the release of each subdivision certificate after the 50th final lot,but not exceeding an aggregate contribution of \$258,965
	TOTAL							\$1,218,569	

Contribution rate per lot - CP-eligible infrastructure only	\$70,979.63
Contribution rate per lot - including monetary contributions	\$82,368.12
Total value of offer	\$8,813,389

